STATE OF SOUTH CAROLINA PUBLIC SERVICE COMMISSION

| Application of Piney Grove Utilities, Inc. |) | D. 1 4 Nr. 2004 112:5 |
|--------------------------------------------|---|------------------------------|
| Requesting Approval of a Pending |) | Docket No. 2004-112-S |
| Contract with the City of Cayce for Bulk |) | DHEC'S Petition to Intervene |
| Service Collection from the Lloydwood |) | DWEC.2 Lettrou to Intervence |
| Sewage Collection Facility in Lexington |) | |
| County, South Carolina |) | |
| |) | |

In accordance with 26 S.C. Code Ann. Regs. 103-836 (Supp. 2003), Petitioner South Carolina Department of Health and Environmental Control (DHEC) herein petitions to intervene in the formal proceedings in the above captioned action on the grounds set forth below.

A. The Facts from which the nature of the Department's interests can be determined:

Piney Grove Utilities, Inc. owns and operates the domestic wastewater treatment and collection systems serving the Lloydwood Subdivision in Lexington County, DHEC has authorized Piney Grove Utilities to operate the Lloydwood treatment facility in accordance with the terms of discharge permit NPDES SC0031402. This permit includes a schedule of compliance which requires Piney Grove Utilities to eliminate the discharge from the Lloydwood facility through interconnection with the regional sewer system owned by the City of Cayce within ninety (90) days of notification by DHEC that the regional sewer system is available. The basis for this requirement is that the Central Midlands Water Quality Management Plan, which is produced by the Central Midlands Council of Governments pursuant to Section 208 of the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., calls for the elimination of the wastewater discharge from the Lloydwood facility and other similarly situated facilities in the area. Under both the Federal Water Pollution Control Act and under state regulations, DHEC may not issue an NPDES permit which would conflict with an approved regional water quality management plan. See 33 U.S.C. § 1288(e); see also S.C. Code Ann. Regs. 61-9.122.4(g) (Supp. 2003).

Due to the occurrence of various regulatory violations at the Lloydwood facility, DHEC issued an Administrative Order in December 2002 requiring Piney Grove Utilities to, among other things, seek a contract for sewer service from the regional sewer provider and submit the resulting contract to the Public Service Commission (PSC) for approval. Piney Grove Utilities

appealed DHEC's Administrative Order to the Administrative Law Judge Division, but prior to a hearing in the matter the parties executed Consent Order 04-007-W in March 2004 in settlement of the case. Under the terms of Consent Order 04-007-W, Piney Grove Utilities agreed to seek a contract for sewer service with the regional sewer provider and submit the contract to the PSC for approval within sixty (60) days of the execution date of the consent order. The consent order states that if PSC approval of the connection contract is granted, Piney Grove Utilities is to proceed with the connection of the Lloydwood facility to the regional system; if PSC approval of the connection contract is denied, Piney Grove Utilities is to upgrade the treatment facility to meet permitted discharge limits. Piney Grove Utilities has now obtained a connection contract from the City of Cayce for bulk sewer service and has submitted this contract to the PSC for approval.

B. The Grounds of the proposed intervention:

In addition to being responsible for regulating the discharge of pollutants into South Carolina's waters, DHEC is also responsible for taking "all action necessary or appropriate to secure to this State the benefits of the Federal Water Pollution Control Act." See S.C. Code Ann. § 48-1-50(5) & (17) (1987). In the instant matter, it is the Central Midlands Water Quality Management Plan, produced in accordance with Section 208 of the Federal Water Pollution Control Act, that calls for the elimination of the discharge from the Lloydwood treatment plant. As both the permitting authority for sewage treatment facilities in the State and as the state agency charged with carrying out the mandates of the State's Section 208 Water Quality Management Plans, DHEC has an interest in ensuring that the Lloydwood facility becomes interconnected with the regional sewer system owned by the City of Cayce. It is this interest which DHEC wishes to protect during the proceedings in this matter before the PSC.

C. The Department's position in the proceeding:

The Department respectfully requests that the Public Service Commission approve Piney Grove Utility's contract with the City of Cayce for bulk service sewage collection from the Lloydwood treatment facility.

Respectfully submitted,

Mason A. Summers

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And Environmental Control

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July 12, 2004 Columbia, South Carolina

STATE OF SOUTH CAROLINA BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

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|--------------------------------------------|---|------------------------|
| Requesting Approval of a Pending |) | Docket No. 2004-112-S |
| Contract with the City of Cayce for Bulk |) | |
| Service Collection from the Lloydwood |) | Certificate of Service |
| Sewage Collection Facility in Lexington |) | |
| County, South Carolina |) | |
| |) | |

The undersigned for the South Carolina Department of Health and Environmental Control, ("DHEC"), states that she has on July 12, 2004, served upon the necessary parties the *Petition of the South Carolina Department of Health and Environmental Control to Intervene* in the above-entitled case via facsimile and first class mail with proper postage affixed as follows:

Louis H. Lang, Esq. via facsimile (256-6431) and first class mail D. Reece Williams, III P.O Box 1390 Columbia, SC 29202

Carrie A Hendrix

Columbia, South Carolina July 12, 2004